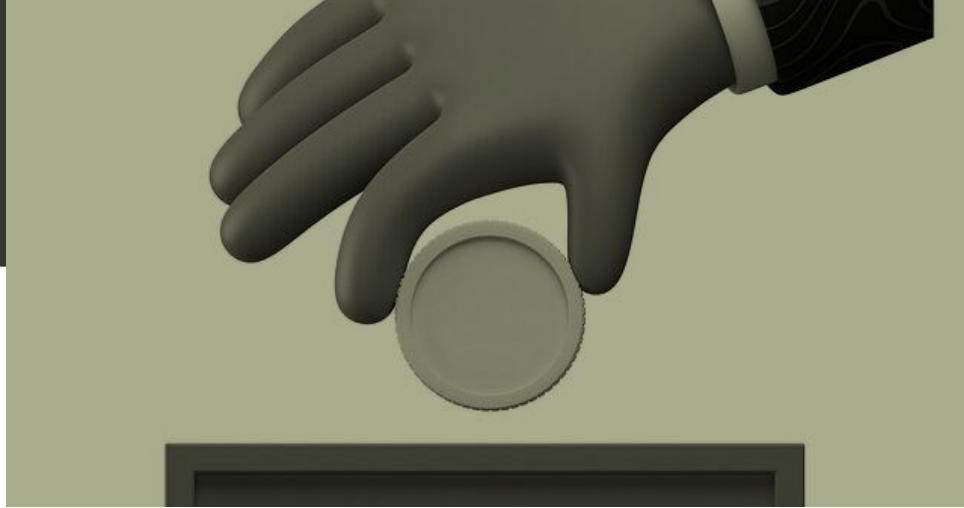


New Giving USA Report Is Out

06.23.22 | Linda J. Rosenthal, JD



“Now more than ever, it is critical to understand the ever-evolving trends shaping philanthropy and the nonprofit sector.”

The Giving USA Foundation just released Giving USA 2022: The Annual Report on Philanthropy for the Year 2021, the most current edition of the nation’s “longest running, most comprehensive report on philanthropy.” It’s a massive, 350+ page package, researched and written by the experts at the Indiana University Lilly Family School of Philanthropy.

The report authors present a summary of the most current data and conclusions in *Giving USA: Total U.S. charitable giving remained strong in 2021, reaching \$484.85 billion* (June 21, 2022). “Thanks to [a] strong year for the stock market and GDP, 2021 giving nearly kept pace with inflation following 2020’s record year and outpouring of support for unprecedented events.” They acknowledge, though, that there are significant areas of concern.

Important Resource

Previously, we’ve posted about these annual reports as they are released; they are widely used within the philanthropy community. See, for instance, *Giving USA Report on 2020 Philanthropy* (October 10, 2021) and *Giving USA Report Has Troubling News* (July 16, 2019).

In the pre-pandemic era, the year-over-year comparisons and the determinations of long-range trends were (relatively) more straightforward than in the recent circumstances of unprecedented upheaval and uncertainty.

According to Laura MacDonald, CFRE, chair of Giving USA Foundation: “The story of charitable giving in 2021 is closely tied to the events of 2020, a historic year that included a global pandemic, economic crisis and recovery, efforts to advance racial justice, and an unprecedented philanthropic

response. In 2021, Americans continued giving more generously than before the pandemic.”
“However,” she cautions, “the growth in giving did not keep pace with inflation, causing challenges for many nonprofits....”

Total Giving

For 2020, the “revised total” of charitable giving was \$466.23 billion. For 2021, the total estimated giving by individuals, bequests, foundations and corporations to U.S. charities is \$484.85 billion.

A key caveat, though, is that “...while giving increased in current dollars, it remained flat (-0.7%) after adjusting for inflation.”

For a bit of historical perspective, Paul Clolery and Peggy Wright of The NonProfit Times point out that – with the exception of three recession years (1987, 2008, and 2009) – “total charitable giving has increased or stayed flat in current dollars every year since 1981.” *Giving USA Data Shows \$18.6B Lift Flattened By Inflation* (June 21, 2022).

As to the most recent data just released in the 2022 Report, the researchers explain that there were “...strong conditions for charitable giving” because the “stock market and GDP recovered to pre-pandemic levels early in 2021 and continued to grow throughout the year.” Among the effects, it spurred “megagifts” – defined in Giving USA as gifts of \$450 million or more – totaling almost \$15 billion, “representing about 5% of all individual giving last year.”

“Americans responded to the pandemic in 2020 on economic need but also the racial social justice environment,” said Una Osili, Ph.D., professor of philanthropy and economics at Indiana University’s Lilly Family School of Philanthropy. “And some of those same factors persisted in 2021. So, 2021 continued to show that same kind of continued generosity but we had some additional factors that made this a more complex story.”

Flexibility Important

Mr. Clolery and Ms. Wright observe: “If there is one word to describe how giving to nonprofits increased by \$18.6 billion during the depths of a global pandemic in 2021, that word is ‘flexible.’ Another word choice could be ‘pivot.’ Leaders at nonprofits needed to go to Plans B and Plan C in a hurry, which included going digital for everything from concert performances to health information to religious services.” Of course, the organizations that already had a digital presence at the outbreak of the pandemic had a significant advantage, but it was remarkable that so many groups of all levels of technical infrastructure were able to respond so well and so quickly.

In 2021 – well into the pandemic era – “(t)he fact that giving increased [despite] building inflation and job losses was heartening to researchers. The previous year had serious flashpoint of social justice and uncertainty.”

Fewer Individual Donors

Woodrow Rosenbaum is the chief data officer for GivingTuesday. He notes that the 2022 report “shows fundraising practices have returned to pre-pandemic patterns,” but, “in an unhealthy way, do not focus enough on garnering dollars from individual, grassroots donors.”

He laments: “We are back to a trend of fewer donors compared to 2020. That year was an outlier and our hope was we would see a capitalization on the opportunities presented by that outlier but that would require change in practice which is challenging for the nonprofit sector right now.”

Mike Geiger, president & CEO of the Association of Fundraising Professionals (AFP) expresses a similar concern: “We have to make philanthropy acceptable to everybody. The number of households engaged in philanthropy keeps dropping.” Historically, back in 2000, two-thirds of households “gave,” but that figure decreased to “50 percent a few years ago. That’s a number that really concerns us. I think we’ll see that trend continue, especially with what’s going on with inflation.” Individuals will have less to give to charity because they are having difficulty “putting basic staples like food on their tables.”

Conclusion

Anna Pruitt, managing editor of Giving USA, notes a growing difficulty facing researchers; namely, gift transparency. “An ongoing theme ... especially in these givers at the mega giving level, is that it’s getting harder and harder to get the information on how they’re making their gifts and through which vehicles, especially through the LLCs (limited liability corporations).”

And they “make sure to not double count gifts made through donor-advised funds, since those are little more than pass-through entities.”

– Linda J. Rosenthal, J.D., FPLG Information & Research Director